

## AUDITOR GENERAL (50)

### *AGENCY PLAN: STATEMENT OF PURPOSE, GOALS AND BUDGET SUMMARY*

#### STATEMENT OF PURPOSE:

The mission of the Office of the Auditor General (OAG) is to act as an independent, full-service appraisal function to examine and evaluate the City's activities in order to improve the accountability for public funds and to improve the operations of City government. We promote the economy, efficiency, and effectiveness of City government, and protect against fraud, waste, and abuse, by conducting independent audits, investigations, and evaluations; by adhering to the professional standards of the auditing profession; and by promoting an atmosphere of mutual trust, honesty, and integrity among OAG staff and the people we serve.

#### AGENCY FINANCIAL SUMMARY:

2005-06 <u>Requested</u>		2004-05 <u>Budget</u>	2005-06 <u>Recommended</u>	Increase (Decrease)
\$ 3,011,473	City Appropriations	\$ 3,095,475	\$ 2,095,775	\$ (999,700)
\$ 3,011,473	Total Appropriations	\$ 3,095,475	\$ 2,095,775	\$ (999,700)
\$ 173,000	City Revenues	\$ 240,000	\$ 173,000	\$ (67,000)
\$ 173,000	Total Revenues	\$ 240,000	\$ 173,000	\$ (67,000)
\$ 2,838,473	NET TAX COST:	\$ 2,855,475	\$ 1,922,775	\$ (932,700)

#### AGENCY EMPLOYEE STATISTICS:

2005-06 <u>Requested</u>		2004-05 <u>Budget</u>	04-01-05 <u>Actual</u>	2005-06 <u>Recommended</u>	Increase (Decrease)
23	City Positions	23	18	21	(2)
23	Total Positions	23	18	21	(2)

#### ACTIVITIES IN THIS AGENCY:

	2004-05 <u>Budget</u>	2005-06 <u>Recommended</u>	Increase (Decrease)
Auditing Operations	\$ 3,095,475	\$ 2,095,775	\$ (999,700)
Total Appropriations	\$ 3,095,475	\$ 2,095,775	\$ (999,700)

## **AUDITOR GENERAL (50)**

### ***AUDITING OPERATIONS ACTIVITY INFORMATION***

#### **ACTIVITY DESCRIPTION: AUDITING OPERATIONS**

The OAG performs audits of each City agency and prepares written reports that convey the resultant audit findings and recommendations to the City Council, the Mayor, and the management of each agency.

The OAG also performs special projects, risk management evaluations and other work, as requested by City Council, as initiated internally, or as required by City Code. Many of these projects result in formal reports or other communications to City Council. The Office also analyzes the Mayor's proposed City budget for City Council each fiscal year.

The annual financial audits of the City and its Federal financial assistance programs are performed by qualified outside auditors hired by the Office of the Auditor General.

#### **GOALS:**

1. Improve the auditing and consulting capabilities of the OAG staff.
2. Improve the quality and timeliness of audit reports.
3. Complete a minimum of forty-three audits, investigations, or special projects.
4. Identify opportunities for expense savings and increased revenues

#### **MAJOR INITIATIVES FOR FY 2005-06:**

The Office of the Auditor General's major initiatives planned for the fiscal year ending June 30, 2006 include a comprehensive review of the City's risk management process and the development of a strategic plan for the City of Detroit. The Office will also implement office wide utilization of electronic audit working papers to achieve and gain greater audit efficiency.

#### **PLANNING FOR THE FUTURE FOR FY 2005-06, FY 2006-07 and BEYOND**

Among the issues confronting the Office of the Auditor General are the inadequate number of qualified auditors, the difficulty in attracting experienced auditors, and the low level of productivity by some auditors due to the inexperience of the audit staff. The Auditor General will continue to attract, train, supervise and motivate auditors, in order to meet our Charter mandate and the goals established for the year.

## AUDITOR GENERAL (50)

### AUDITING OPERATIONS MEASURES AND TARGETS

Type of Performance Measures:		2002-03	2003-04	2004-05	2005-06
List of Measures		Actual	Actual	Projection	Target
<b>Outputs: Units of Activity directed toward Goals</b>					
Reports on Audits of Financial Transactions		0	12	15	23
Reports Issued		0	9	27	20
Claims hearing		136	71	91	91
PLD Contract Reviews		N/A	71	66	10
Risk Management Evaluations		N/A	0	2	12
<b>Activity Costs</b>		<b>\$3,254,516</b>	<b>\$2,726,122</b>	<b>\$3,095,475</b>	<b>\$2,095,775</b>

**CITY OF DETROIT  
AUDITOR GENERAL (50)**

**Financial Detail by Appropriation and Organization**

<b>Administration &amp; General Office</b>	<b>2004-05 Redbook</b>		<b>2005-06 Dept Final Request</b>		<b>2005-06 Mayor's Budget Rec</b>	
	<b>FTE</b>	<b>AMOUNT</b>	<b>FTE</b>	<b>AMOUNT</b>	<b>FTE</b>	<b>AMOUNT</b>
<b>Auditing Operations</b>						
<i>APPROPRIATION</i>						
<i>ORGANIZATION</i>						
00261 - Auditing Operations						
500010 - Administration & General Office	5	\$855,746	5	\$872,607	5	\$689,425
500020 - Auditing-Operations	16	\$2,046,244	16	\$1,953,192	15	\$1,329,483
<b>APPROPRIATION TOTAL</b>	<b>21</b>	<b>\$2,901,990</b>	<b>21</b>	<b>\$2,825,799</b>	<b>20</b>	<b>\$2,018,908</b>
11195 - Risk Management Council						
500095 - Risk Management Council	2	\$193,485	2	\$185,674	1	\$76,867
<b>APPROPRIATION TOTAL</b>	<b>2</b>	<b>\$193,485</b>	<b>2</b>	<b>\$185,674</b>	<b>1</b>	<b>\$76,867</b>
<b>ACTIVITY TOTAL</b>	<b>23</b>	<b>\$3,095,475</b>	<b>23</b>	<b>\$3,011,473</b>	<b>21</b>	<b>\$2,095,775</b>

**CITY OF DETROIT**  
**Budget Development for FY 2005-2006**  
**Appropriations - Summary Objects**

	<b>2004-05 Redbook</b>	<b>2005-06 Dept Final Request</b>	<b>2005-06 Mayor's Budget Rec</b>
<b>AC0550 - Auditing Operations</b>			
<i>A50000 - Auditor General</i>			
SALWAGESL - Salary & Wages	1,410,297	1,455,459	1,065,731
EMPBENESL - Employee Benefi	919,157	1,026,132	622,562
PROFSVCSL - Professional/Cont	566,933	340,000	253,000
OPERSUPSL - Operating Supplie	13,800	17,600	17,600
OPERSVCSL - Operating Service	153,868	159,282	136,138
CAPEQUPSL - Capital Equipmen	22,420	4,000	744
OTHEXPSSL - Other Expenses	9,000	9,000	0
<i>A50000 - Auditor General</i>	<i>3,095,475</i>	<i>3,011,473</i>	<i>2,095,775</i>
<b>AC0550 - Auditing Operations</b>	<b>3,095,475</b>	<b>3,011,473</b>	<b>2,095,775</b>
<b>Grand Total</b>	<b>3,095,475</b>	<b>3,011,473</b>	<b>2,095,775</b>

**CITY OF DETROIT**  
**Budget Development for FY 2005-2006**  
**Appropriation Summary - Revenues**

	2003-04 Actuals	2004-05 Redbook	2005-06 Dept Final Request	2005-06 Mayor's Budget Rec	Variance
<b>A50000 - Auditor General</b>					
<i>00261 - Auditing Operations</i>					
449125 - Personal Services	193,977	240,000	173,000	173,000	(67,000)
<i>00261 - Auditing Operations</i>	193,977	240,000	173,000	173,000	(67,000)
<b>A50000 - Auditor General</b>	<b>193,977</b>	<b>240,000</b>	<b>173,000</b>	<b>173,000</b>	<b>(67,000)</b>
<b>Grand Total</b>	<b>193,977</b>	<b>240,000</b>	<b>173,000</b>	<b>173,000</b>	<b>(67,000)</b>

**CITY OF DETROIT**  
**MAYOR'S 2005/2006 RECOMMENDED BUDGET**

**Auditor General**

Appropriation	REDBOOK FY 2004	DEPT REQUEST	MAYORS FY 2005
Organization	2005 FTE	FY 2005 2006 FTE	2006 FTE
Classification			
<b>00182 - Investigation of Complaints</b>			
<b>500010 - Administration &amp; General Office</b>			
Manager II - Auditor General	0	0	0
Assistant Ombudsman - GD III	0	0	0
<b>Total Administration &amp; General Office</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Investigation of Complaints</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>00261 - Auditing Operations</b>			
<b>500010 - Administration &amp; General Office</b>			
Auditor General	1	1	1
Deputy Auditor General	1	1	1
Chief Auditor	1	1	1
Executive Secretary III	1	1	1
Office Assistant III	1	1	1
<b>Total Administration &amp; General Office</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>500020 - Auditing-Operations</b>			
Manager II - Auditor General	2	2	1
Senior Auditor	6	6	6
Auditor	8	8	8
<b>Total Auditing-Operations</b>	<b>16</b>	<b>16</b>	<b>15</b>
<b>Total Auditing Operations</b>	<b>21</b>	<b>21</b>	<b>20</b>
<b>11195 - Risk Management Council</b>			
<b>500095 - Risk Management Council</b>			
Auditor	2	2	1
<b>Total Risk Management Council</b>	<b>2</b>	<b>2</b>	<b>1</b>
<b>Total Risk Management Council</b>	<b>2</b>	<b>2</b>	<b>1</b>
<b>Agency Total</b>	<b>23</b>	<b>23</b>	<b>21</b>